

## Intelligence Information Cable

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DIST 28 JUL 78

COUNTRY VIETNAM/AUSTRALIA/ASEAN/CHINA

SUBJECT SRV VICE FOREIGN MINISTER PHAN HIEN'S VISIT TO AUSTRALIA

AND NEW DIRECTIONS IN

SRY FOREIGN POLICY (DOI \_\_\_\_ JULY 1978

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THE SRV WAS HIGHLY PLEASED BY PHAN H I E N 'S RECENT VISIT TO AUSTRALIA AND VIEWED IT A "CONSIDERABLE SUCCESS." HE SAID THE VIETNAMESE GOAL WAS MERELY TO GET A HEARING FOR THEIR CASE AGAINST CHINA, AND THAT PHAN HIEN WAS ABLE TO STATE THIS IN A WAY THAT FULLY MET ALL THEIR EXPECTATIONS. HE SAID THAT IN FACT VIETNAM WAS SHIFTING ITS ORIENTATION, BUT ALWAYS WITH A SENSE OF ITS INDEPENDENCE UPPER-MOST IN MIND. SAID THAT THE SOVIETS WERE "NO FOOLS" ON THIS; THEY HAD BEEN VERY SOPHISTICATED ALL ALONG IN THEIR ATTENTION TO VIETNAMESE SENSITIVITIES ABOUT INDEPENDENCE.

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VIETNAM WAS NOW MORE EAGER THAN

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EVER TO OPEN DOORS WITHIN THE SOUTHEAST ASIA REGION. HE SAID THAT THE VIETNAMESE WERE WILLING TO NEGOTIATE WITH THE ASEAN STATES EITHER INDIVIDUALLY OR AS A GROUP, AND THAT VIETNAM INTENDED TO BE REPRESENTED AT THE NEXT MEETING OF ASEAN FOREIGN MINISTERS. HE ADDED THAT VIETNAM WOULD, OF COURSE, BE ONLY AN OBSERVER, BUT THAT IT INTENDED TO BE THERE TO SHOW ITS INTEREST. HE SAID THAT ONE COULD BE CYNICAL AND SAY THIS WAS TACTICAL, BUT THAT IN FACT IT WAS NOW A REALITY AND SHOULD BE ACCEPTED AS SUCH. HE SAID HE BELIEVED THE VIETNAMESE ATTITUDE WOULD BE WELCOMED WITHIN ASEAN, WHERE EVERY STATE HAD THE REALITY OF ITS OWN OVERSEAS CHINESE TO BE WOPRIED ABOUT.

THE SOCIALISTS CHIEFS OF MISSION IN CANBERRA HAD CONVENED TO REVIEW WITH THE VIETNAMESE AMBASSADOR THE PHAN HIEN VISIT TO AUSTRALIA, HE SAID IT IS CLEAR THAT VIETNAM NO LONGER WILL PUT FORWARD ANY FINANCIAL EXPECTATIONS FROM THE UNITED STATES AS A PRE-CONDITION FOR NORMALIZING VIETNAM IS READY TO NORMALIZE FIRST. THEY KNOW BETTER RELATIONS. THAN TO TALK ABOUT "WE POOR ASIANS" ANYMORE, AND WILL SPEAK INSTEAD OF "RECONSTRUCTION AID." HE SAID THE VIETNAMESE WERE NOT ENTIRELY CLEAR ABOUT HOW THEY INTENDED TO PROCEED ON THIS POINT, BUT THAT HE FELT! SURE THAT THE VIETNAMESE HAD NO INTENTION OF DROPPING THE SUBJECT, AND THAT HE GOT THE IMPRESSION THAT IT WAS LIKELY TO COME UP SOON AFTER NORMALIZATION. THEY WERE WILLING TO NORMALIZE FIRST, BUT THEY LOOK UPON THE EXTENSION OF AID AS A "TREATY" COMMITMENT THAT THEY NEED TO TAKE:UP BUT WITH CARE:AS TO HOW IT IS DESCRIBED LEST THEY ANTAGONIZE

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THE U.S. CONGRESS. HE EXPRESSED THE BELIEF THAT VIETNAM WOULD BE AS HELPFUL AS POSSIBLE ON THE ISSUE OF THE REMAINS OF U.S. SERVICEMEN KILLED IN VIETNAM, AND THAT THE VIETNAMESE GOVERNMENT WAS GENUINE IN ITS DESIRE TO MAKE MATTERS ASSOCIATED WITH THE WAR A THING OF THE PAST.

PROBLEMS WITH THE CHINESE, NOTED THAT THESE HAD BECOME SO GREAT DURING THE VIETNAM WAR THAT THE SOVIETS WERE FORCED TO ABANDON ONCE AND FOR ALL THE RAIL SUPPLY OF VIETNAM ACROSS CHINA. HE SAID THE CHINESE STOPPED THE TRAINS, PHOTOGRAPHED EVERYTHING, AND FNGAGED IN EVERY DELAYING TACTIC THEY COULD THINK OF. HE SAID THAT BECAUSE OF THIS THE SOVIETS NO LONGER ATTEMPTED TO SEND ANY KIND OF SUPPLIES TO VIETNAM BY RAIL, BUT USED SHIPPING AND AIR SERVICE INSTEAD AS A MEANS OF TRANSPORTING AID.

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